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SUBJECT: DUTCH DEFENSE MINISTER OUTLINES PLANS FOR  
RESTRUCTURING ARMED FORCES

REF: THE HAGUE 2693

1. (U) Summary: Defense Minister Henk Kamp outlined drastic plans to restructure the Dutch armed forces during the annual parliamentary defense budget debate on October 21-23. Faced with mandated average spending cuts of 380 million Euros a year, Kamp called for cuts in certain major operational capabilities and personnel to save money and to free up resources for substantial new investments. Kamp successfully defended his program to make the armed forces "leaner and meaner," and Parliament has largely approved his plans (a formal vote is expected November 4). The only concession parliament forced was a one year delay in the elimination of the Navy's P-3 Maritime Patrol Aircraft (MPA) fleet, and to provide additional justification for the intended procurement of Tomahawk missiles for Dutch navy frigates. End summary.

2. (U) Defense Minister Kamp strongly defended his plans to restructure the Dutch armed forces during an intense three daythree-day parliamentary debate from October 21-23. He argued that if the Dutch armed forces were to continue to play a role on the world stage, parliament must accept his choices. His goals are to make the armed forces "leaner and meaner," to create a new balance between the armed forces' size and resources and to improve their quality and deployability in crisis management operations. Kamp wants to make all Dutch forces deployable - and has stressed that he has made a deliberate choice for expeditionary forces. Because of the necessity to cut spending, he added the armed forces could no longer perform tasks that must be considered marginal.

Main points of restructuring plans  
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3. (U) In addition to seeking to keep the armed forces affordable and better deployable in the long term, Kamp seeks sufficient funding for new investments (he wants to raise the proportion of the defense budget devoted to investment from 16 to 20 percent). To this end, operating costs are to be reduced, staff units scaled down and merged, and efficiencies improved. Kamp is seeking to eliminate the separate chiefs of staff for the three main branches of the military. Cuts will also be made in operational capabilities. In the period 2004-2008, the number of frigates will be reduced from 14 to 10, tanks from 180 to 110, Apache helicopters from 30 to 24, and F-16s from 137 to 90. Personnel will be downsized through elimination of about 12,000 positions, while at the same time about 5,000 new positions are created for mainly young active personnel. Overall, the total number of personnel will have been reduced from well over 70,000 at present to about 65,000. Further, the bases at Valkenburg (2004), Seedorf (2005), Soesterberg (2007) and Twenthe (2007) are to be closed, while all P-3s MPAs are to be phased out.

4. (U) The spending cuts should yield sufficient funding to invest in ready capabilities and sustaining participation in military missions over a longer period of time. Investments planned include expanding the armored infantry battalions, procurement of a DC-10 transport aircraft, updating of the remaining Apache helicopters, as well as procurement of Tomahawk missiles for the navy's four new air defense and command frigates. Further, appropriations are made to strengthen specific military capabilities to contribute to the NATO Response Force (NRF).

Parliament gains delay on P-3s; questions Tomahawks  
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5. (U) While largely supporting Kamp's plans, parliament succeeded in getting him to postpone elimination of the P-3s until 2005 and the related closure of their home, Valkenburg AB. (Valkenburg serves as The Hague's VIP airport - some in parliament argued it should remain open during the Dutch EU Presidency in the latter half of 2004.) Owing to skepticism on the part of some Members about the proposed acquisition of Tomahawks, Kamp was obliged to agree to provide a study on the future of the navy, including an explanation of the potential role of these systems.

6. (U) Under pressure from MPs concerned about the local

effects of closing Valkenburg AB as well as the importance on the counter-drug missions performed by Dutch P3s flying out of Curacao, Kamp agreed to keep Valkenburg AB open and the P-3s in the air for one more year until January 2005. In so doing, Kamp laid down a marker that his ultimate conclusion could be that there are no viable alternatives to phasing out the P-3s and closing Valkenburg AB. His intention remains to sell them to either Germany or Portugal. Kamp also rejected as too expensive and impractical the suggestion of permanently stationing five P3s at Curacao.

17. (U) Leftist opposition parties expressed opposition the minister's plan to buy Tomahawk missiles for the Navy's new frigates because, according to Labor party defense spokesman Frans Timmermans, Tomahawks are "first strike" missiles that are "political tools at a high spectrum of violence" which should be left within NATO to only larger powers such as the U.S. and the UK. Timmermans further suggested the Netherlands could never decide to use these missiles without U.S. consent because the highly classified software to use them remains in U.S. hands. Thus, the Netherlands would make itself entirely dependent on the U.S. Other parties such as the center-right Christian Democrats challenged Kamp to explain how the Tomahawks would add value beyond those capabilities already possessed by Dutch F-16s. Kamp countered that the Tomahawks, with their extended range, are far more capable than F-16 launched munitions. Moreover, Tomahawks will add considerable value to the new frigates -- "the new frigates cost 500 million Euros a piece and it would be waste of taxpayer's money if they are not armed with the best available weapons," said Kamp. Further, Kamp stressed that the frigates need to have a full spectrum of capabilities if they are to be an effective part of the new NATO Response Force.

Comment

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18. (SBU) Kamp has brought new energy and visibility to the defense portfolio, one that has typically taken a back seat to more powerful cabinet ministries such as Finance and Foreign Affairs. In presenting this budget he has sought to make the best of a bad situation -- significant mandated budget cuts -- using them as an opportunity to thoroughly reorganize the Dutch military on more deployable lines. While displeased at the delay in cutting the P-3 force (which Kamp claims will cost MOD 13 million Euro) his general philosophy of restructuring and reinvestment was accepted by parliament. For example, his plan to trim the number of F-16s to increase available funding for enhancing the capability of the remaining aircraft was not challenged. Previous proposals to trim the number of Dutch F-16s have met with vocal parliamentary opposition. Kamp is also confident that he can convince a majority in parliament of the utility of equipping the Dutch navy with Tomahawks.

Sobel